

ESTIMATED BUDGET EFFECTS OF REVENUE-RELATED PROVISIONS OF TITLE II OF H. R. 3, AS AMENDED BY THE SENATE ON APRIL 24, 1990*

Fiscal Years 1990-1995
[Millions of Dollars]

Provision	Effective	1990	1991	1992	1993	1994	1995	1990-95
A. Tax Credit for Child Care and Child Health Insurance:								
1. Make child/dependent care credit 90% refundable for taxpayers with AGI of \$28,000 or less (1).....	1/1/91	--	-53	-1,121	-1,147	-1,232	-1,323	-4,876
2. Child health insurance credit (2).....	1/1/91	--	-29	-611	-649	-727	-882	-2,898
B. Earned Income Tax Credit (EITC) Supplemental for Children Under 4 Years Old (3).....								
	1/1/91	--	-63	-629	-667	-709	-751	-2,819
Subtotal A. + B.		--	-145	-2,361	-2,463	-2,668	-2,956	-10,593
C. Telephone Excise Tax:								
1. Permanent extension.....	1/1/91	--	1,520	2,570	2,748	2,936	3,135	12,909
2. Modification of collection period.....	7/1/90	123	8	9	10	10	11	171
Subtotal C.		123	1,528	2,579	2,758	2,946	3,146	13,080
D. One-Year Delay and Simplification of Section 89 and Related Nondiscrimination Rules.....								
	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
E. Modify Rules for Leased Employees.....								
	1/1/84	(5)	(5)	(5)	(5)	(5)	(5)	(5)
F. Require Estimated Tax Payments on Tax Liability for Certain Subchapter S Income.....								
	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
GRAND TOTALS (A. + B. + C.).....		123	1,383	218	295	278	190	2,487

NOTE: For estimated budget effects of related provisions of H.R. 3, as passed by the House on March 29, 1990, see JCX-9-90 (April 2, 1990).

* The provisions of S. 5, as passed by the Senate (June 23, 1989), were included (with technical amendments) in H.R. 3, as amended by the Senate.

(1) Credit is refundable on an advance basis for taxable years beginning after 12/31/91. Fiscal year outlays (refundable portion) for this provision: \$53 million in 1991, \$1,121 million in 1992, \$1,147 million in 1993, \$1,232 million in 1994, and \$1,323 million in 1995.

(2) Credit rate is 35% in 1991, 40% in 1992, 45% in 1993, 50% in 1994 and thereafter; phaseout income levels: \$12,000 - \$19,000. Fiscal year outlays (refundable portion) for this provision: \$28 million in 1991, \$582 million in 1992, \$618 million in 1993, \$693 million in 1994, and \$841 million in 1995.

(3) Expanded EITC by number of children: 1 child = 7% credit; 10% phaseout.
2+ children = 10% credit; 15% phaseout.

Phaseout income levels: \$10,000 - \$15,000, indexed.

Fiscal year outlays (refundable portion) for this provision: \$63 million in 1991, \$629 million in 1992, \$667 million in 1993, \$709 million in 1994, and \$751 million in 1995.

(4) Originally included in S. 5, but section 89 was repealed separately in 1989. No current estimate is available for enactment of a new version of section 89 or other non-discrimination rules, as contained in the Senate amendment to H.R. 3.

(5) Loss of less than \$500,000.

(6) Originally included in S. 5, but a substantially identical provision was enacted separately in 1989. To the extent that the version of the provision contained in the Senate amendment to H.R. 3 varies from present law, no current estimate is available.

